

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03  
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-08  
TRSE-00 SIG-01 IO-13 ACDA-07 /087 R

DRAFTED BY EUR/NE:REWOODS:LP

APPROVED BY E:RNCOOPER

EUR:RDVINE

EB/FSE:WMILAM

S/S:MR. SEBASTIAN

-----021219 106890/13

R 012118Z MAR 77

FM SECSTATE WASHDC

TO AMEMBASSY STOCKHOLM

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

USMISSION OECD PARIS

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY BERN

AMEMBASSY CANBERRA

AMEMBASSY MADRID

C O N F I D E N T I A L STATE 045122

E.O. 11652: GDS

TAGS:PFOR, SW

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SUBJECT: SWEDISH AMBASSADOR'S CALL ON UNDER SECRETARY  
DESIGNATE COOPER

1. SWEDISH AMBASSADOR WACHTMEISTER CALLED ON MR. COOPER  
FEBRUARY 17, ON INSTRUCTIONS TO PRESENT GOS VIEWS ON CIEC.  
HE SAID SWEDEN BELIEVED NEGOTIATIONS HAD REACHED A CRITICAL

POINT AND THAT IT WAS EXTREMELY IMPORTANT THAT TANGIBLE RESULTS BE ACHIEVED PRIOR TO THE CIEC MINISTERIAL. HE EMPHASIZED DEBT AND COMMODITIES AS TWO MOST IMPORTANT AREAS FOR MOVEMENT. HE EXPRESSED APPRECIATION FOR DIFFERENCES IN US AND SWEDISH POSITIONS, BUT HOPED THAT US WOULD GIVE FULL CONSIDERATION TO SWEDISH VIEWS IN FORMULATING ITS OWN POLICY. HE ALSO LEFT AN INFORMAL WRITTEN STATEMENT OF SWEDISH POSITION, THE MAIN POINTS OF WHICH ARE SUMMARIZED AT THE END OF THIS MESSAGE.

2. ON DEBT, SWEDEN PROPOSES THAT ALL DC'S AGREE TO A ONE SHOT OPERATION TO INCREASE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO THE LEAST DEVELOPED/MOST SEVERLY AFFECTED COUNTRIES. THIS COULD BE EITHER THROUGH AN INCREASE IN ASSISTANCE OR THROUGH DEBT RELIEF ON OFFICIAL DEBTS. THE TYPE AND EXTENT OF RELIEF GIVEN WOULD VARY AMONG DONOR COUNTRIES AND COULD BE NEGOTIATED ON A CASE BY CASE BASIS, BUT A REASONABLE

BURDEN SHARING AMONG DONORS WOULD BE ASSUMED. IN RETURN THE G19 WOULD BE ASKED TO DROP ITS DEMAND FOR GENERALIZED DEBT RELIEF.

3. ON COMMODITIES, SWEDEN BELIEVES IT IS IMPORTANT TO MAKE AN IN PRINCIPLE COMMITMENT TO THE COMMON FUND. DETAILS OF HOW THIS WOULD BE USED WOULD BE SUBJECT TO LATER NEGOTIATIONS. GIVEN THE POLITICAL WEIGHT THIS ISSUE CARRIES, AMONG LDC'S, GENERAL AGREEMENT SHOULD BE REACHED ON THE CONCEPT.

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4. COOPER REPLIED THAT WE WERE STILL DEVELOPING OUR POSITION, AND THAT HE WAS PERSONALLY LOOKING VERY CLOSELY AT QUESTIONS OF BOTH DEBT AND COMMODITIES. ON DEBT, HE SAID HIS ASSESSMENT WAS PERSONALLY DIFFERENT FROM THAT OF THE G19 AND ADDED THAT THE LDC'S WHO WERE PUSHING THE HARDEST WERE NOT THOSE WITH THE GREATEST DEBT PROBLEMS. IN ADDITION, WRITING OFF DEBT WOULD BE EXTREMELY DIFFICULT POLITICALLY FOR THE US. SIMILARLY, IT WOULD BE IMPOSSIBLE TO OBTAIN US CONGRESSIONAL APPROVAL OF ANY GENERAL COMMITMENT TO A COMMON FUND WITHOUT EXPLAINING SPECIFICALLY HOW THIS FUND WAS TO BE EMPLOYED. DETAILS WOULD THEREFORE HAVE TO BE ADDRESSED BEFORE ANY AGREEMENT ON AN OVERALL PACKAGE. BUT THE NEW ADMINISTRATION IS REVIEWING THESE QUESTIONS WITHOUT A DOGMATIC VIEW.

5. WACHTMEISTER LEFT AN INFORMAL PAPER ON THE SWEDISH POSITION WHICH INDICATES GOS FLEXIBILITY ON TIMING OF THE MINISTERIAL, AND SUGGESTS DELAY TO AS LATE AS JUNE IF THIS WOULD ENHANCE PROSPECTS FOR CONCRETE RESULTS. IN ADDITION

TO DEBT AND COMMODITIES, THE PAPER PROPOSES THE FOLLOWING  
ITEMS FOR CONCENTRATION IN CIEC CONSULTATIONS.

(A) A SUBSTANTIAL INCREASE IN ODA, ON A MULTI-YEAR BASIS,  
ON IMPROVED TERMS AND PROVIDED ON A UNTIED BASIS.

(B) IMPROVED ACCESS TO CAPITAL MARKETS IN THE DEVELOPED  
COUNTRIES AND DIRECT INVESTMENTS IN THE DEVELOPING COUN-  
TRIES.

(C) A SYSTEM FOR THE STABILIZATION OF EXPORT EARNINGS OF  
DEVELOPING COUNTRIES, NOT AS A SUBSTITUTE FOR COMMODITY  
AGREEMENTS, BUT WHICH COULD FACILITATE THE NEGOTIATION OF  
SUCH AGREEMENTS. SWEDEN'S PROPOSAL FOR A GLOBALIZED STABEX  
IS CITED IN THIS REGARD.

(D) FUTURE CONSULTATIONS ON ENERGY AND ENERGY ASSISTANCE  
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TO THE LDC'S.  
VANCE

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NNN

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, FOREIGN POLICY POSITION  
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**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Executive Order:** GS  
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**TAGS:** PFOR, SW, US, CIEC, (WACHTMEISTER), (COOPER)  
**To:** STOCKHOLM  
**Type:** TE  
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**Review Markings:**  
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